

VZCZCXRO0260
RR RUEHAST
DE RUEHSK #0637/01 1661328
ZNR UUUUU ZZH
R 151328Z JUN 06
FM AMEMBASSY MINSK
TO RUEHC/SECSTATE WASHDC 4553
INFO RUCNOSC/ORGANIZATION FOR SECURITY COOPERATION IN EUROPE
RHMFISS/HQ USEUCOM VAIHINGEN GE
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UNCLAS SECTION 01 OF 02 MINSK 000637

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E.O. 12958: N/A

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SUBJECT: The Belarusian Lottery: Who Is Actually
Winning?

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SENSITIVE BUT UNCLASSIFIED; PROTECT ACCORDINGLY

¶1. (SBU) Summary: Belarus' lottery industry is booming. The two largest of Belarus' 30 registered lotteries gross USD 6 million per month, with half of that amount going to the GOB to purportedly finance social and sports programs. In light of the industries' high profits, Lukashenko in May ordered his pro-government youth group to create and operate a national lottery, with the proceeds to be used strictly for increasing the youth group's recruitment and spreading its ideology. End Summary.

Big Money

¶2. (U) The lottery is becoming one of the most profitable businesses in Belarus. According to the Ministry of Finance, Belarus has 30 registered local and national lotteries, but economists believe the market could support several more. The authorities quickly assumed control over the fledgling lottery industry in 1998 when Belarusian dictator Aleksandr Lukashenko signed a decree on several measures to regulate lottery activities. In accordance with this decree, the Council of Ministers in 1999 passed a resolution that resulted in the creation of two state-owned regulatory bodies, the National Sports Lottery (NSL) and Belarusian Lottery (BL).

¶3. (U) The BL, which falls under the control of Belarus' Securities Committee, operates one of Belarus' most popular lotteries, VashLoto (Your Lotto). VashLoto sells on average 590,000 tickets per week at BYR 2,000 (USD 00.93) per ticket, grossing approximately USD 2.1 million per month. The NSL, which is under the control of the Ministry of Sports and Tourism, operates Belarus' largest lottery, SuperLoto, which sells, on average, 748,000 tickets per week at BYR 3,000 (USD 1.40), grossing approximately USD 4.2 million per month. The odds of winning one of the many prizes (i.e., cash, home appliances, apartments, and cars) are relatively favorable, with 12.7 percent of VashLoto tickets and 19 percent of SuperLoto tickets being winners.

A Big Chunk Going To The GOB

¶4. (U) Fifty percent of the lotteries' revenue is used for prizes and the remaining half goes into the state coffers. According to their charters, NSL's proceeds to

the GOB are to be used to finance physical fitness and sports development programs, particularly Olympic activities, and BL's proceeds to finance social programs. However, unlike VashLoto's and SuperLoto's websites, where breakdowns of expenditures and sales are available to any user, the fate of the GOB's share is not public information.

Luka-Youth Cashing In

15. (U) The pro-Lukashenko Belarusian Republican Youth Union (BRCM), under Lukashenko's initiative, has decided to milk this new lottery cash cow. In May, Lukashenko signed a decree ordering the Ministry of Finance to establish a new lottery called "Unost" (Youth). The BRCM is to implement Unost, but unlike those run by the NSL and BL, BRCM is to keep all its proceeds. According to Lukashenko's decree, the money is to be used to accomplish goals set forth in BRCM's charter, pay personnel wages, and cover the BRCM's Central Committee's expenses. According to independent online news source BD Delovaya Gazeta, the BRCM lottery is, in addition to direct GOB funding, to be used to fulfill Lukashenko's plans to increase BRCM membership and, hence, spread his ideology.

Comment

16. (SBU) Lottery ticket sales are growing as many citizens hope to win a car or a house that they cannot afford on their meager salaries. One journalist accurately called Belarus' lottery business "The Battle For Belarusians' Wallets," though it appears to be more of a GOB battle. It is a profitable industry and, as any profitable industry in Belarus, is firmly under GOB

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control with proceeds being used at the authorities' discretion. Emboffs have heard that deputy head of the Presidential Administration Natalya Petkevich's husband is one of the main directors of the Belarusian lottery, suggesting that the upper echelons of Lukashenko's regime have their fingers deep into the lottery pie.

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